

EXHIBIT C

MEMORANDUM

TO: Business Development Sub-Committee

FROM: Hanson Hom, Community Development Director

BY: Debbie Pollart, Planning Manager

DATE: October 12, 2006

RE: Agenda Item Discussion of Assembly Uses in the Industrial Limited (IL) Zoning District

On May 18, 2006, staff received an application from Faith Fellowship Church (FFC) requesting a Zoning Code amendment to conditionally permit Assembly uses in Industrial Limited (IL) zones. FFC is interested in purchasing the property at 14600 Catalina (formerly occupied by MDL). This property is zoned Industrial Professional (IP). Although not currently codified in Article 3 – Definitions of the Zoning Code, assembly uses include the following two uses that are defined: Clubs and Lodges; Religious Assembly.

Currently, the Zoning Code conditionally permits Religious Assembly uses in R districts, and Faith Fellowship's current location at 577 Manor is zoned RS (PD), Residential Single Family, Planned Development Overlay District.

In light of the application by FFC to locate in a non-residential district, staff analyzed the possibility of allowing assembly uses on appropriate non-residential sites, and expanding the land use options for such uses.

Staff notes that analyzing this matter raises larger General Plan policy issues. Staff looked at the following overriding General Plan Policies for guidance:

- ▶ “The areas most suitable for conversion to non-industrial uses are those located adjacent to existing housing, or in areas which lack the amenities to meet the needs of modern industry. Such areas exist along San Leandro Boulevard, Alvarado Street, and Marina Boulevard” (Page 3-52 of the General Plan).
- ▶ General Plan Policy 7.06 *Adaptive Reuse*; Policy 7.07 *Tax Base Enhancement*; Policy 10.04 *Industrial Sanctuary*; and Policy 33.04 *Separation from Sensitive Uses*;

Based on the above policies, the following criteria are suggested for evaluating appropriate locations for large assembly uses:

- ▶ Properties not located along major commercial corridors (E. 14th Street and Auto Mall area of Marina Boulevard) – *to preserve the commercial character of these corridors*;
- ▶ Properties not designated IG or IP – *to comply with General Policies*;

- ▶ However, if property is in an Industrial District, it be located near the periphery – *to comply with General Plan policies for preservation and enhancement of the City's industrial base;*
- ▶ Minimum 2-acre area – *to accommodate large assembly uses;*
- ▶ Abuts or is within $\frac{1}{4}$ mile of an arterial street – *to ensure adequacy of the street system to accommodate the traffic from such uses;*
- ▶ Vacant/underutilized property – *that may be available in the future for assembly uses.*

After inputting these criteria, 13 potential areas were derived, with the applicable assumptions indicated for each of the areas.

Based upon the analysis performed, staff is recommending two options for consideration by the Business Development Sub-Committee. This matter will also be discussed next week at a Joint Board of Zoning Adjustments/Planning Commission work session.

Option 1 – Amend Zoning Code to allow Assembly uses in IL Zoning District. Under Option 1, Assembly uses could be added as a 'conditionally permitted' use in all IL zones, with use permit review and approval under the Board of Zoning Adjustments. Alternatively, base development standards (such as have been developed for residential uses) could be developed for Assembly uses, such that applications meeting such standards could be reviewed and approved administratively by the Zoning Enforcement Official (ZEO) through a Site Plan Review application. For applications that don't meet the standards, these could be reviewed by the ZEO at a public hearing, or be referred to the Board of Zoning Adjustments. With this option, a total of approximately 94 acres currently zoned IL would be affected (this includes some areas of railroad right-of-way).

Option 2 – Apply 'Assembly' Overlay District to Identified Areas. Under Option 2, the green areas identified on the draft map would have an Assembly Overlay District applied to them. This would be accomplished via a Zoning Code amendment to define the Assembly Overlay District (new Article), and then rezoning all of the designated areas with the new Assembly Overlay District. Under this option, the underlying zoning designations for each of the individual properties would not change, similar to how the S and PD Overlay Districts are utilized. With this option, a total of approximately 218 acres would be affected (this includes some areas of railroad right-of-way).

Staff notes that under either option, Religious Assembly uses would continue to remain conditionally permitted in R Districts.

Finally, when staff brings the matter back through the public hearing process, a definition for Assembly uses will be recommended as part of the proposed Zoning Code amendments. A codified definition would preclude future confusion that may occur for assessing Clubs and Lodges and Religious Assembly uses.

